

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
Steeleville Telephone Exchange, Inc.	)	WC Docket No. 10-90
	)	
Petition for Waiver of Section 54.313(h)	)	WC Docket No. 05-337
of the Commission's Rules, 47 C.F.R. §54.313(h)	)	

**REPLY COMMENTS OF STEELVILLE TELEPHONE EXCHANGE, INC.**

Steeleville Telephone Exchange, Inc. (“Steeleville”) hereby submits these reply comments in support of its Petition For Waiver To Reinstate High-Cost Support.<sup>1</sup> Steeleville requested a limited waiver of the Commission’s rules to reinstate federal high-cost support covering the period of July through December 2012, which was denied after Steeleville was unable to modify its local residential voice rates in time to comply with the Commission’s rule that required carriers to report their local residential voice rates that were in effect as of June 1, 2012.

The Commission’s rules specify that carriers receiving high-cost support would be subject to a reduction in that support if their local residential voice rate was not at or above the \$10 local urban rate floor as of July 1, 2012.<sup>2</sup> As stated in its Petition,<sup>3</sup> Steeleville’s local residential rate was set at \$10 and was effective on July 1, 2012.

While Steeleville was able to comply with the July 1 deadline in rule Section 54.318(f)(1), it was unable to comply with the inconsistent requirement in rule Section 54.318(h)(1) that carriers report their local residential voice rates, as defined in the rule establishing the rate floor,

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<sup>1</sup> See *Steeleville Telephone Exchange, Inc.; Petition for Waiver of Section 54.313(h) of the Commission’s Rules, 47 C.F.R. § 54.313(h)*, Petition For Waiver To Reinstate High-Cost Support, WC Docket Nos. 10-90 and 05-337 (filed Dec. 31, 2012) (“Steeleville Petition”).

<sup>2</sup> See 47 C.F.R. § 54.318(b).

<sup>3</sup> See Steeleville Petition at 3.

that were in effect as of June 1.<sup>4</sup> Steelville had allotted a sufficient amount of time, approximately 50 days, to implement required tariff and billing changes in order to meet the July 1 deadline.<sup>5</sup> However, the Commission's *Third Order on Reconsideration* released on May 14, 2012, just three days after Steelville initiated its necessary tariff change, required carriers to report local residential voice rates that were in effect as of June 1, 2012, not July 1, 2012. Despite the expeditious steps taken by the Missouri Public Service Commission's ("PSC") to remedy the problem caused by the inconsistency in Commission compliance and reporting dates,<sup>6</sup> Steelville was simply unable to implement the \$10 rate changes in its billing system within the six days following the Missouri PSC's order approving its tariff changes prior to the necessary rate effective date of June 1, 2012. Even though Steelville had a \$10 local residential voice rate by July 1, 2012 as required by rule Section 54.318(f)(1), it was unable to report to NECA that it had a \$10 local residential voice rate effective on June 1, 2012 as required by rule Section 54.313(h)(1).

The Commission's rules permit carriers to file mid-year updates to their local residential voice rates, subject still to approval by the Office of Management and Budget ("OMB"), and Steelville has notified NECA that its local residential voice rates as of December 1, 2012 were \$10 so that its high-cost support will be restored for the period covering January 1, 2013 through

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<sup>4</sup> The reporting date became June 1, instead of January 1, following revisions in the Commission's *Third Order on Reconsideration*. See 47 C.F.R. § 54.313(h)(1), *as modified by the Third Order on Reconsideration* in WC Docket Nos. 10-90 *et al.*, FCC 12-52 (rel. May 14, 2012) ("*Third Order on Reconsideration*").

<sup>5</sup> See Steelville Petition at 2 (Steelville filed tariff revisions with the Missouri PSC on May 11, allotting 30 days for approval, and another 20 days to implement billing changes prior to the July 1 deadline for the new \$10 urban rate floor requirement).

<sup>6</sup> The Missouri PSC adopted an order less than two weeks after Steelville's tariff changes were submitted and approved the tariff changes on May 24, 2012. See Steelville Petition at 2.

June 30, 2013.<sup>7</sup> However, Steelville has been denied an estimated \$18,456 in high-cost support for the period covering July 1, 2012 through December 31, 2012, due to the rate reporting deadline being established inconsistently with the urban rate compliance deadline and also due to the lack of sufficient time to implement necessary changes in order to comply with the unexpected June 1 effective date for rate reporting. Moreover, NECA is not processing the mid-year update due to pending OMB approval, and as a result Steelville continues to lose \$3,076 per month.

Without a waiver of the rule, Steelville and its customers will suffer undue hardship as a result of the loss of six months' high-cost support. This loss of support will impact Steelville's ability to continue investing in its network serving rural Missouri, which may put at risk advanced services to Steelville's customers. A waiver of the rule is appropriate to reinstate the loss of critical funding to a rural local exchange carrier serving a high-cost study area, which loss has occurred as a result of the Commission's inconsistent rule Sections 54.318(h)(1) and 54.318(f)(1), as well as insufficient time provided to implement administrative changes necessary to comply with the rate reporting requirement. Notwithstanding the diligent efforts by the Missouri PSC to facilitate compliance with the FCC's May 14 rule change and the June 1 effective date for reporting rates, Steelville was unable to implement billing changes within a matter of just a few days. As explained in the Steelville Petition, a waiver would serve the public interest.

No comments have been filed in response to the Steelville Petition. There is no reason for the Commission to delay grant of the limited relief requested herein. A waiver of Section

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<sup>7</sup> See Attachment 1, Letter to Carol Brennan, Vice President, National Exchange Carrier Association, from Karen Brinkmann, Counsel for Steelville Telephone Exchange, Inc. (dated Dec. 31, 2013).

54.313(h)(1) is appropriate to prevent undue hardship and to serve the policy underlying the Commission's rule. Alternatively, Steelville respectfully requests that the Commission acknowledge the ambiguity created between two rules, Sections 54.313(h)(1) and 54.318(f)(1), and clarify that the operative date for compliance with the local residential voice rate reporting requirement was July 1, rather than June 1, and further allow for retroactive notification to NECA of such compliance on July 1.

Respectfully submitted,

/s/

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